

United States Court of Appeals
For the Ninth Circuit

VOLKSWAGENWERK AKTIENGESELLSCHAFT,
Appellant,
against

DOUGLAS D. CHURCH, doing business as
MODERN SPECIALIST,
Appellee.

REPLY BRIEF FOR APPELLANT

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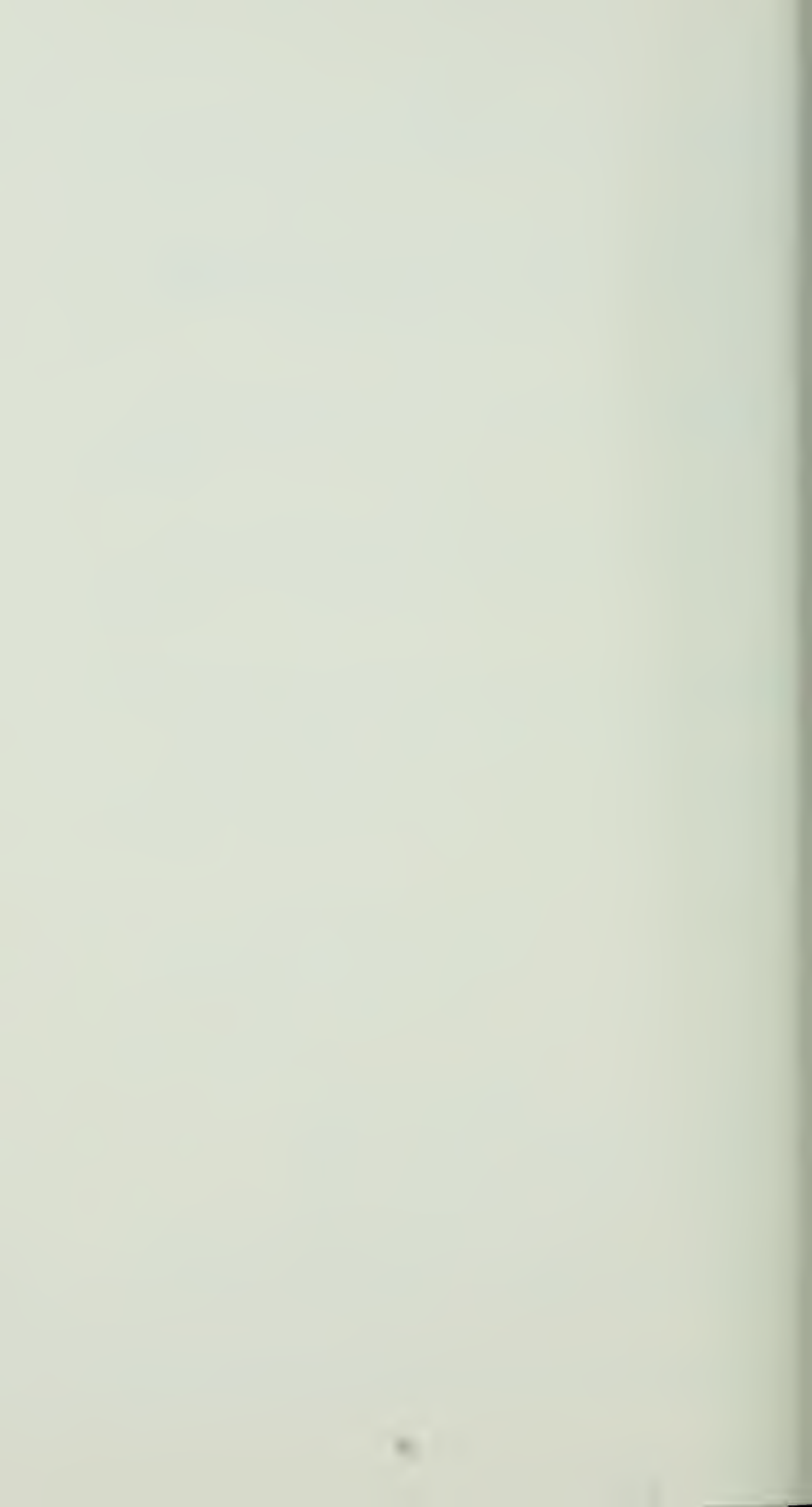
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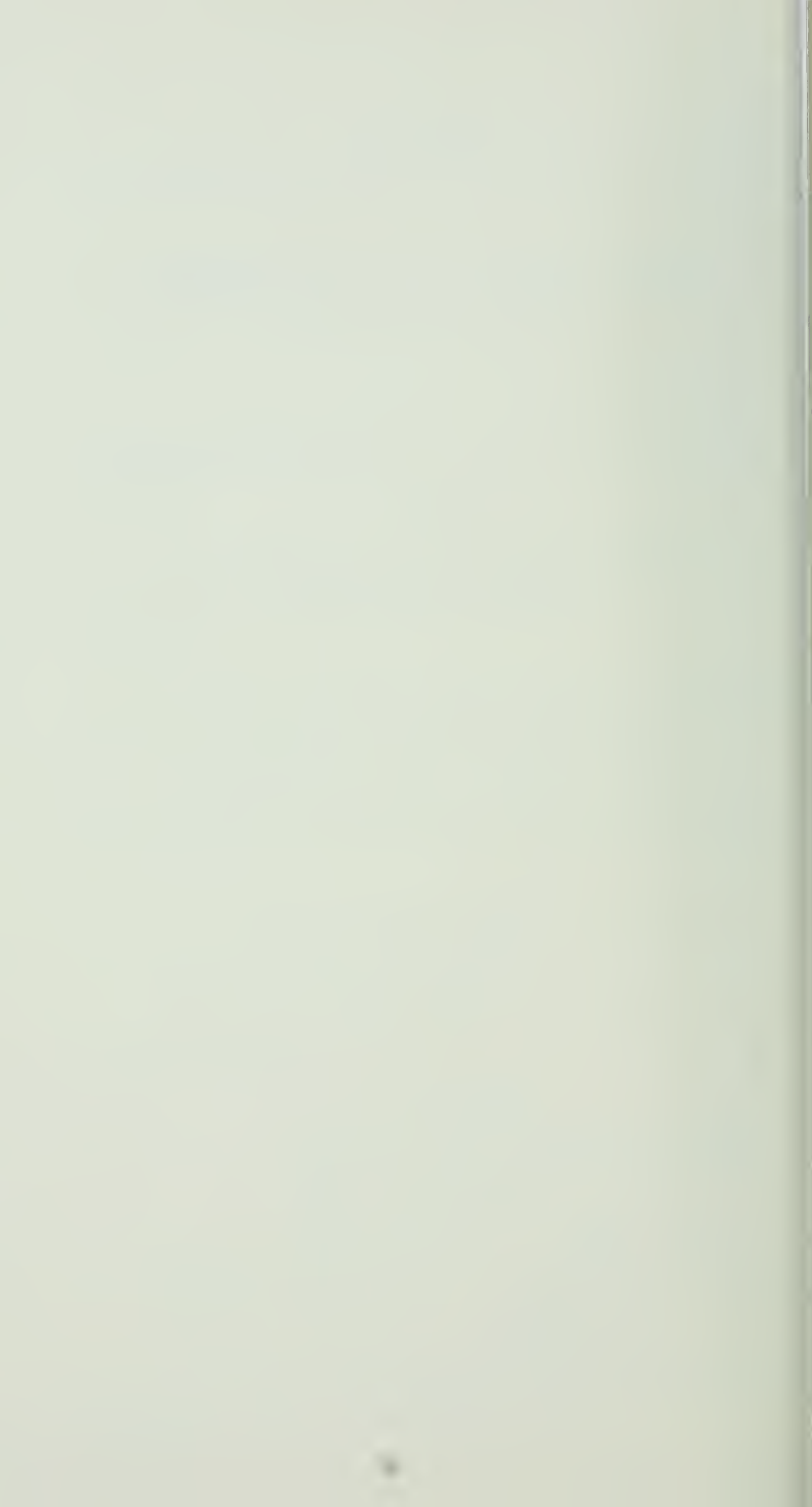
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Appellee.

REPLY BRIEF FOR APPELLANT

In his answering brief Church recognizes that the public would be disserved by denying it the right to select the service facilities it desires to patronize: members of the authorized Volkswagen organization or outside repair shops like his own (Ch. Br. 73-74).^{*} But the public can exercise that right intelligently only if it is able to discriminate and to distinguish factory-authorized service from unauthorized repairs. And as Church's answering brief makes plain, what he is insisting upon the right to do, and what he claims the decision below sanctions, is to advertise the availability at his premises of "Volkswagen Service" and "VW Service," the very phrases which traditionally identify the services sold under plaintiff's aegis. In short, he wants far more than the right to describe himself as "An Independent Volkswagen and Porsche Service Center." Thus the issue raised by this appeal is whether Church and hundreds of garages like him may continue to draw

^{*} "Ch. Br." means "Brief for Appellee"; "VW Br." refers to "Brief for Appellant." All the other initials and abbreviations are the same as in our prior brief. As before, defendant-appellee will be referred to herein as "defendant," and plaintiff-appellant as "plaintiff."

patrons to their premises by representing to the public that "Volkswagen Service," will be found there or whether this Court will disapprove the result reached below and require Church's signs and advertising clearly to distinguish his facilities from those which provide services controlled in their nature and quality by plaintiff.

I.

Church's Answering Brief Blurs the Facts and Misapprehends the Law.

In our opening brief we developed why, as a matter of law, the court below erred, in view of its own findings, in dismissing plaintiff's complaint. In his answer defendant rewrites whatever in the record he cannot defend. Similarly, he avoids grappling with our legal arguments by substituting a wholly different set of governing principles derived from inapposite authorities.

Typical of his disregard for whatever is awkward in the record is his treatment of "Modern Volkswagen Porsche Service." After admitting that this trade name might have infringed upon plaintiff's rights, his brief continues:

"This would be so because Church used the word 'Volkswagen' not in a denotive sense but rather in a proprietary sense as part of the name of his business. However, when the matter was brought to his attention by plaintiff, and after the negotiations between the various attorneys involved, Church promptly changed the name of his business to 'Modern Specialists'. He changed the name in his classified telephone directory advertisement, on his repair order forms, on the side of his truck, and in all other places where the prior name of his business had been displayed. *The objectionable business name has not been used by Church since 1959*" (Ch. Br. 71-72) (Emphasis added).

Contrast this bland statement with the findings of the court below:

“15. After defendant, in 1960, formally altered his trade name to ‘Modern Specialist,’ he continued to use his former appellation prominently in his business.

“16. Until some time subsequent to the filing of the complaint herein, the designation ‘Modern Volkswagen Porsche Service’ dominated his building being stretched across its facade in large, black letters running the full width of his premises” (CT 146).

Regarding his truck, defendant writes that before it was repainted in 1963 to meet plaintiff’s protests, “the name of Church’s business ‘Modern Specialist’ [was] prominently displayed on the vehicle together with the wording ‘Volkswagen-Porsche Servicing’ ” (Ch. Br. 35). In fact, as the court below found, the truck “carried in prominent letters against a white background, the inscription ‘Modern Volkswagen Porsche Service.’ Defendant’s registered trade name ‘Modern Specialist’ was reproduced in smaller characters on the truck’s door” (CT 146).

Just as defendant ignores the facts upon which we base our appeal, so does he disregard statutory and decisional trademark law. The legal argument with which he opens his brief (Ch. Br. 6-8) does not rely on a single precedent dealing with the question which is central to this case, and that is, what limitations the law imposes upon a third party’s use of a valid and strong trade and service mark of the character owned by plaintiff.* On the contrary, in many of the cases cited by defendant, the court was at pains to point out that no issue of trademark infringement

* One of the cases cited by defendant, *Sunbeam Furniture Corp. v. Sunbeam Corp.*, 191 F.2d 141 (9th Cir. 1951), does involve a valid trademark, but the opinion is employed by defendant only as authority for the limitations the courts impose on the protection they will give a trade name (Ch. Br. 7).

was raised. *E.g., Scudder Food Products, Inc. v. Ginsberg*, 21 Cal. 2d 596, 598, 134 P.2d 255, 257 (1943).

Four of the authorities invoked by defendant involve copying a product's appearance or trade dress,* a fifth concerns copyright.** All but a few of the balance deal with imitation of a trade name and without exception the plaintiffs in these cases were unsuccessful because the name was geographic or descriptive or weak, or the imitator was using his given name which could not be denied him.***

In only four of the cases relied on by defendant was a trademark even claimed. One decision can be put aside because this aspect of the opinion is not what interests defendant.**** In none of the remaining three was the right to protection recognized, either because the alleged trademark was in common use in the trade,***** or the word relied on as distinctive was descriptive and necessarily available to the whole world.*****

* *Audio Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d 551 (9th Cir. 1960); *Haeger Potteries, Inc. v. Gilner Potteries*, 123 F. Supp. 261 (S.D. Cal. 1954); *Sunlite Bakery v. Homekraft Baking Co., Ltd.*, 119 Cal. App. 2d 148, 259 P.2d 711 (1953); *Scudder Food Products, Inc. v. Ginsberg, supra*, 21 Cal.2d 596, 134 P.2d 255 (1943).

** *Columbia Pictures Corp. v. National Broadcasting Co.*, 137 F. Supp. 348 (S.D. Cal. 1955).

*** *Rixford v. Jordan*, 214 Cal. 547, 6 P.2d 959 (1931); *Fidelity Appraisal Co. v. Federal Appraisal Co.*, 217 Cal. 307, 18 P.2d 950 (1933); *Schwartz v. Slenderella Systems of California, Inc.*, 43 Cal.2d 107, 271 P.2d 857 (1954); *Alhambra Transfer & Storage Co. v. Muse*, 41 Cal. App. 2d 92, 106 P.2d 63 (1940); *D. & W. Food Corp. v. Graham*, 134 Cal. App. 2d 668, 286 P.2d 77 (1955); *Sunbeam Furniture Corp. v. Sunbeam Corp., supra*, 191 F.2d 141 (9th Cir. 1951).

**** *Sunbeam Furniture Corp. v. Sunbeam Corp., supra*, 191 F.2d 141 (9th Cir. 1951).

***** *Castle v. Seigfried* 103 Cal. 71, 37 P. 210 (1894).

***** *Purity Springs Water Co. v. Redwood Ice Delivery*, 203 Cal. 286, 263 P. 810 (1928) ("water"); *Italian Swiss Colony v. Italian Vineyard Co.*, 158 Cal. 252, 110 P. 913 (1910) (the Italian word "tipo").

Patently none of these opinions is in point or provides any guidance here. This case is controlled by the statutes and decisional law in the trademark field. A handful of authorities from this area are recognized by defendant in a section headed "The Applicable Law" (Ch. Br. 8-13) following his opening point. There, he informs this Court, which decided *Ford Motor Co. v. Benjamin E. Boone, Inc.*, 244 Fed. 335 (1917), that *Dodge Bros. v. East*, 8 F.2d 872 (E.D.N.Y. 1925), is the "leading case" in this area. He then drops from his four-page discussion of this single authority (Ch. Br. 9-12) the fact that it condemned unequivocally as wrong the use of the "words 'Dodge Service' and 'Dodge Service Station.' " 8 F.2d at 877.

Defendant ducks the facts and misapprehends the law because he realizes that he cannot otherwise defend the result reached below.

II.

How Church's Service Compares in Quality or Reputation with "Volkswagen Service" Is Neither in Issue nor Relevant.

A fair portion of defendant's answering brief is devoted to setting forth at length the evidence he introduced to prove that in his community the reputation of the services sold under plaintiff's marks is not good (Ch. Br. 43-46). Almost equal attention is devoted to demonstrating that his service is equal or superior to that rendered by members of the Volkswagen family (Ch. Br. 40-41).

Neither relative reputation nor quality has any relevance to plaintiff's right to exclude anyone but itself and its licensees from employing its marks. Whatever the reputation of the services sold under the "Volkswagen" mark, its guardianship belongs to plaintiff alone. *Yale Electric Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928). It follows that it is no defense, even if it were true, that

defendant's reputation or services are equal to or better than those of plaintiff. 3 Callman, *Unfair Competition and Trade-Marks*, section 80.2, p. 1364 (2d ed. 1951); *Henry Perkins Co. v. Perkins*, 246 Mass. 96, 99, 140 N.E. 461, 462 (1923); 87 C.J.S., *Trade-Marks, etc.*, sections 78, 99 (1954). Whatever the facts, defendant may not share the benefits or take on the claimed disadvantages of plaintiff's reputation.

"It is no answer to the charge of using a false and simulated brand that the article covered by the brand is of a superior quality to that which the purchaser desired to buy. You may not deceive a purchaser for his own benefit. The public will not be permitted to be deceived even for their own good. A purchaser has a right to buy the particular article he desires, and to be protected in the purchase.'" *Pillsbury v. Pillsbury-Washburn Flour Mills Co.*, 64 Fed. 841, 848 (7th Cir. 1894).

Regardless whether Church's services are good or bad, plaintiff wants back the sole custody of its good will. But the fact that no complaints concerning defendant have been received by the Volkswagen organization, to which Church attaches great importance (Ch. Br. 41-42), in no way negates dissatisfaction.

To begin with, it is the rare patron that engages in extended correspondence regarding unsatisfactory service. The more usual course is simply to shift patronage. Consumer dissatisfaction shows up in lost sales, not in letters. Moreover, as far as Church is concerned, by the time a customer cared enough to ascertain to whom complaint should be made regarding an authorized Volkswagen facility, he probably would have learned that Church was not part of the Volkswagen family, making any protest futile and useless. Even less likely would be communications regarding the sole matter central to this proceeding, which is the belief induced in customers by Church's signs and advertising regarding his connection with the Volkswagen

organization. Many patrons may never have realized that he was not part of that organization and anyone who learned the truth, after first being misled, would not be likely to sit down and advertise how he had been duped.

As specious as the argument predicated on the quality of Church's service, an issue neither raised nor decided by the court below, is that based on the testimonial evidence adduced by defendant regarding the local reputation of "Volkswagen Service" (Ch. Br. 43-46). So little confidence does Church himself have in this proof that he proposed no findings whatever predicated upon it (CT 154-164, 166-173).

Defendant's renewed attack upon plaintiff's reputation has no purpose other than to muddy the waters and prejudice the Court. As Judge Learned Hand pointed out in a similar context:

"[S]ince, as usual, the defendant extolls its own wares and decries the complainant's there ought to be no ground for protest at any measures designed to avoid a confusion which must be disastrous to the defendant's reputation and its trade. It should welcome anything, which, while it preserves its own chosen title in full, will serve to advise the public that they must not confound its superior goods with the complainant's." *L. E. Waterman Co. v. Modern Pen Co.*, 193 Fed. 242, 247 (S.D.N.Y. 1912), *modified*, 197 Fed. 534, 536 (2d Cir. 1912), *aff'd*, 235 U.S. 88 (1914).

In fact, defendant, carried away by his own rhetoric, states flatly that he "does not care to capitalize on the reputation of plaintiff, since that reputation in the Southern California area for the repair and service rendered by plaintiff's authorized family of Volkswagen agencies is not too savory" (Ch. Br. 73). That being the case, why is he opposing the relief requested in this proceeding? Obviously, because, despite his disclaimer, he wishes to capitalize on the reputation he so vociferously denies.

III.

**That Plaintiff's Licensees in Defendant's Locale Describe
Themselves as "Authorized" or That Many Share a
Common Trade Dress Does Not Exculpate
Defendant of Infringement.**

Defendant lays great stress in his brief before this Court, as he did below, on how members of the authorized Volkswagen organization can be identified as such by the public, in addition to the fact that they display the "Volkswagen" trademark (Ch. Br. 55-63). He points out that many occupy distinctive facilities (Ch. Br. 56-58); that all sell new cars (Ch. Br. 70); that they display not only the "Volkswagen" mark but the encircled VW emblem as well (Ch. Br. 58); that, in his area, they commonly identify themselves in their advertising as "authorized" (Ch. Br. 60-61); and fifty per cent use "authorized" on their invoices (Ch. Br. 59). Accordingly, he claims, he does not invade plaintiff's rights when he does business under the "Volkswagen" trademark (Ch. Br. 65-66, 69-70). His argument is factually and legally unsound.

The findings and the record show that his argument builds on half truths and issues resolved against him. The court below specifically found that a "substantial number" of older Volkswagen dealerships are not "distinguishable by their mere physical facilities, size, style or coloring of lettering, from the establishments of unfranchised businesses dealing with the sale or repair of Volkswagens" (CT 143-44).

Use of the word "authorized" is, as defendant himself concedes, a local phenomenon (Ch. Br. 22). In national advertising the general practice, as the court below found, "is to use the trademark 'Volkswagen' or its trademarked abbreviation 'VW' to identify services performed by the authorized domestic Volkswagen organization and to refer to such services simply as 'Volkswagen Service' or 'VW Service' " (CT 142).

Even locally, use of the word “authorized” is confined to advertising. Although defendant suggests otherwise (Ch. Br. 58), the record shows that in on-premises identification use of the word “authorized” is the exception rather than the rule (VW Br. 62).

But even if the facts were more favorable to defendant, it would make no difference. The owner of a valuable name and mark does not forfeit his right to protection in his exclusive use thereof because his licensees reinforce their identification with him through a distinctive trade dress, by displaying more than one of his marks or describing themselves as “authorized.”

“It is well established that the fact ‘that the owner of a trade-mark uses in association with it accessory symbols or words does not deprive him of the right to it.’ ” *American Distilling Co. v. Bellows & Co.*, 102 Cal. App. 2d 8, 26, 226 P.2d 751, 762 (1951), and cases there cited.

Defendant’s argument is a variation on the discredited contention that the owner of two trademarks cannot complain when only one is infringed. As this Court said, in an analogous situation, it is “immaterial and irrelevant” that defendant has not copied the trade dress of plaintiff’s licensees, infringed plaintiff’s encircled VW emblem or described himself as “authorized.” *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 161 (9th Cir. 1963), *cert. denied*, 374 U.S. 830 (1963).

Defendant erroneously thinks otherwise because he tests the propriety of his conduct by the wrong standard. What he does is to treat the mark “Volkswagen” as simply one small aspect of a concern’s total trade dress and suggest that his trade dress is so different as to exclude confusion. This argument wholly disregards the fact that the very function of a mark is to identify a common source regardless how different in appearance are the products or businesses to which it is attached.

Just as a consumer would assume that any vehicle bearing the "Volkswagen" trademark has its source in plaintiff, even though he had never seen a similar vehicle so identified, so would he accept without question that one doing business under plaintiff's service mark was operating under plaintiff's aegis, whether or not the premises so identified were painted white or tan, or displayed any other of plaintiff's marks.

In rejecting just such an argument as is made here, one court wrote: "But, ought competitors to be allowed to force appellant to change its methods of advertising? To restrict appellant to a particular dress? To reduce appellant's integral invention to a mere element or feature in a combination claim?" *Enoch Morgan's Sons Co. v. Ward*, 152 Fed. 690, 693 (7th Cir. 1907). It is now well settled that "mere differences in the package or dress will not prevent infringement of a registered mark, if it is in fact colorably imitated." *Sierra Chemical Co. v. Berrettini*, 33 F.2d 397, 399 (7th Cir. 1929). *Accord: Walter Baker & Co., Ltd. v. Delapenha*, 160 Fed. 746, 749-750 (Cir. Ct. D.N.J. 1908).

IV.

The Evidence Regarding "Independent" Is Irrelevant or Incompetent.

Defendant places great weight in his brief, as he did at the trial, on the evidence introduced by him regarding "independent" (Ch. Br. 32-33).

His proof showed that four concerns, in addition to his own, specializing in the repair of Volkswagen vehicles, likewise employ in their advertising and signs the phrase "Independent Volkswagen Service" or similar language (D. Exs. O-1, O-5, O-8, O-11, O-13, P-U). But such evidence is in no way persuasive of the propriety of such

equivocal phraseology. "It is no excuse * * * to say that others have been guilty of the same wrong." *National Lead Co. v. Wolfe*, 223 F.2d 195, 204 (9th Cir. 1955), *cert. denied*, 350 U.S. 883 (1955). *Accord: Admiral Corp. v. Penco, Inc.*, 203 F.2d 517, 521 (2d Cir. 1953); *Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 78 (10th Cir. 1958).

Furthermore, the proof relates only to an insignificant fraction of the relevant businesses. One jobber alone testified that in Southern California he supplied ninety concerns specializing in the repair of Volkswagen vehicles outside the Volkswagen organization (RT 624-625, 638). Five concerns out of ninety is scarcely a "substantial number" or indicative of a "growing practice" (CT 144). And there is no evidence of any similar advertising or signs outside defendant's locale, where they may have been spurred by the organization in August 1964 by defendant and others of the "I.V.S.C." (Independent Volkswagen Service Centers) (RT 1019-26). With at least two of the five shops there has been controversy with plaintiff regarding the use of its mark (RT 966, 969-970, 975).

The other evidence relied on by Church (Ch. Br. 46-51) regarding "independent" is equally valueless. Seven witnesses, deemed representative of three hundred, testified, after they first had noted or defined "independent," that to them the words "Independent Volkswagen Porsche Service Center" conveyed the idea of one not forming part of the official Volkswagen family. Not only was the number of witnesses small when compared with the market for "Volkswagen Service" but the group was unrepresentative, their testimony of little or no value and the opinions elicited irrelevant (VW Br. 63).

By 1964, the year prior to trial, somewhat more than one and a half million Volkswagen vehicles had been exported to this country (P. Ex. 66a); in Southern California and Arizona more than 170,000 were in operation (P. Ex.

68g; CT 143). Patently, three hundred witnesses represent less than one-fifth of one per cent of the interested members of the public in defendant's own locality and an infinitesimal number of the total purchasers of services for Volkswagen vehicles. Moreover, this tiny sample was far from representative. On the contrary, it was drawn almost without exception from among Church's customers and persons opposed in interest to the authorized Volkswagen organization (VW Br. 63).

In addition, not even this small, handpicked group was asked what defendant's signs, give-aways and advertising conveyed to them until their attention had first been expressly drawn to the word "independent" and they had been made to focus on its significance (RT 460-462, 535-541, 547-551, 554-558, 570-573, 588-593, 629-632). These are not the conditions of the market place. No one is at the elbow of the motorist to point out the importance of the word "independent."

Furthermore, what these witnesses were expressing at best was their own opinion on a matter on which they were not experts and on which their testimony was entitled to little or no weight. Nims, *Unfair Competition and Trade-Marks*, section 320, p. 1018 (4th ed. 1947); *Premier-Pabst Corp. v. Elm City Brewing Co.*, 9 F. Supp. 754, 760 (D. Conn. 1935). Infringement is an issue for the court to be decided by its own evaluation of the challenged signs and advertising. *Fleischmann Distilling Corp. v. Maier Brewing Co.*, *supra*, 314 F.2d 149, 151-152 (9th Cir. 1963), *cert. denied*, 374 U.S. 830 (1963); *Standard Oil Co. v. Standard Oil Co.*, *supra*, 141 F. Supp. 876, 890 (D. Wyo. 1956), *aff'd*, 252 F.2d 65 (10th Cir. 1958); *Quaker Oats Co. v. St. Joe Processing Co.*, 232 F.2d 653, 655-656 (C.C.P.A. 1956).

V.

"Volkswagen" May Not Be Used To Identify Products and Services Not Having Their Source in Plaintiff.

Defendant's brief fails to recognize that "Volkswagen" is not a generic term open to use as a trade or service mark by anyone selling parts or services for Volkswagen vehicles.

As we pointed out in our main brief, one of the elements in defendant's classified telephone advertising contributing to its misleading character is the claim to carry "Complete Stock Factory Parts" (VW Br. 49). This, we observed, is a double wrong because many of Church's parts have never passed through plaintiff's hands.

Defendant justifies his advertising on the ground that the parts in question are acquired "from the same people from whom the Volkswagen factory purchases them" (Ch. Br. 14). But this does not entitle them to be sold as "Volkswagen Parts" or products of the "Volkswagen factory." *A. Bourjois & Co. v. Katzel*, 260 U.S. 689 (1923). Only products distributed by plaintiff can be sold under its mark. Anything else, including a part manufactured by plaintiff's own suppliers, is limited to sale as a part for a Volkswagen vehicle. *Ford Motor Co. v. Wilson*, 223 Fed. 808 (D.R.I. 1915).

In this connection, defendant questions the sufficiency of the proof that the "Volkswagen" mark carries an assurance of quality lacking in the parts he obtains from allegedly the same suppliers (Ch. Br. 13-14). The elaborate quality control maintained by the Volkswagen factory is described in P. Ex. 9e, Nelson, *Small Wonder: The Amazing Story of the Volkswagen*, 218-219 (1965). And P. Ex. 9-L makes plain that such control extends to parts as well as cars. This pamphlet, "What's Behind Your Volkswagen?" poses the question "What makes this crankshaft a Genuine VW Part?" and answers it as follows: "An inspector

with nothing to do all day but inspect. * * * He'll reject any one of these crankshafts if he finds them one ten-thousandth of an inch out of whack. We pay over 5800 men to do nothing but say no to imperfect Volkswagen parts * * *."

But it would make no difference if no inspection took place and if, in all respects, the parts defendant acquires from his sources were identical to those distributed by plaintiff; they still cannot be sold under plaintiff's mark. Only plaintiff may apply the mark which "stakes the reputation of the plaintiff upon the character of the goods." *A. Bourjois & Co. v. Katzel, supra*, 260 U.S. 689, 692 (1923).

Defendant similarly misunderstands the function of a mark when he finds it "inconceivable that in the total absence of evidence to support its position plaintiff herein seeks to obtain an exclusive right in the terminology 'Volkswagen Service', or 'Volkswagen Repair' " (Ch. Br. 64).

But this is the right which the law attaches to the findings by the court below that since 1956 plaintiff has used and advertised "Volkswagen" as a service mark "for services furnished in connection with the maintenance and repair of Volkswagen Products" (CT 139-140) and that the good will inhering in "Volkswagen" as a service mark is the property of plaintiff (CT 143). It necessarily follows that neither defendant, nor anyone else not licensed by plaintiff, may sell "Volkswagen Service."

These findings drain of any significance the testimony of one of defendant's handpicked witnesses that to him "Volkswagen Service" meant simply service for Volkswagen vehicles (RT 601-602; Ch. Br. 63, 65).^{*} Such an opinion is as inconsequential as would be a layman's view

* The testimony of this witness was peculiarly valueless because, as his cross-examination developed, he disregarded trademarks entirely as badges of identification (RT 609-614).

that a "Volkswagen Part" means a part for a Volkswagen vehicle [*Ford Motor Co. v. Wilson, supra*, 223 Fed. 808 (D.R.I. 1915)], or that a "Volkswagen Auto Agency" means an agency selling Volkswagen vehicles [*Ford Motor Co. v. Benjamin E. Boone, Inc., supra*, 244 Fed. 335 (9th Cir. (1917))].

Plaintiff's right to the exclusive use of its service mark "Volkswagen" is not affected by the fact that two authorized Volkswagen dealers have on a few isolated occasions turned over their used cars to Church for repair (RT 914-916, 1029-1032), or that in emergencies two neighboring Volkswagen shops secured parts from him (RT 913-914), or that a tire alignment specialist has on occasion also done work for Volkswagen dealers (RT 704-705).

Church's work was performed not for customers of the Volkswagen dealers but for the dealers themselves (RT 1029). As for the rest, the fact that parts or special service may at times be secured outside the Volkswagen organization no more cuts down the right of the completed repair to be sold as "Volkswagen Service" than does the fact that some of the parts sold by plaintiff are bought from other manufacturers forfeit plaintiff's right to sell them as "Volkswagen Parts." It is the fact that plaintiff is the source and guarantor of both service and parts that entitles them to be sold under plaintiff's mark.

Finally, the incidents on which defendant places such weight (Ch. Br. 18-19, 39-40) involve a few scattered occasions, clearly *de minimis* when compared with almost 700,000 service transactions annually in Southern California, Arizona and Hawaii by the authorized Volkswagen organization (RT 317-318; P. Ex. 68g).

VI.

Defendant's Criticisms of Our Authorities Are Ill Founded.

Although defendant does not undertake to answer our statement of the principles controlling in this litigation, he charges us repeatedly with omitting significant facts or distorting the decisions from which we draw these guidelines. But, in fact, it is he who misunderstands the cases.

Thus, he contends that the order in *Fiat Societa Per Azioni v. Vaughan*, 7 Misc.2d 4, 166 N.Y.S.2d 39 (Sup. Ct. 1957), *modified and aff'd*, 5 App. Div.2d 821, 170 N.Y.S.2d 627 (1st Dep't 1958), "preventing the defendant from using the name 'Fiat' was limited solely to its *method* of use in the telephone directory" and that the order did not, as we advised the Court, prevent its use "*in any manner whatsoever*" (Ch. Br. 15) (emphasis in original). In fact, the controversy regarding the telephone listing related to purely peripheral matters. The significant proviso of the order, affirmed on appeal, enjoined the defendant:

"from using the name, Fiat, in any manner whatsoever for advertising purposes or for purposes of trade, or for conducting business or for any other purposes, including, without limitation, the continued use of the name Fiat Sales and Service * * *"
(Record, p. 7, 5 App. Div.2d 821).

Defendant has been misled by the fact that the opinion on the appeal refers solely to the telephone listing.

Similarly, there is no basis for defendant's claim that we failed to inform the Court that the defendant in *General Motors Corp. v. Smith*, 138 U.S.P.Q. 382 (S.D. Cal. 1963), which enjoined use of the name "Smith's Chevrolet Service," had represented "that he was an authorized Chevrolet dealer, and that he had been using the trademarked Chevrolet emblem" (Ch. Br. 15). In fact, the case is four square with the instant one. Smith represented that he was an authorized Chevrolet dealer and used the

Chevrolet trademark in the same manner that defendant has been representing that he is an authorized Volkswagen facility and has been using the Volkswagen trademark, and that is by doing business under a trade name which incorporates the manufacturer's trademark.

Regarding *Yale & Towne Mfg. Co. v. Haber*, 7 F. Supp. 791 (E.D.N.Y. 1934), in which a locksmith was enjoined from listing himself in the local telephone directory as "Yale Lock Service," defendant claims that we "omitted to inform the court that the defendant also falsely advertised that he was 'Manufacturers Agent for Yale' along with his other methods of advertising" (Ch. Br. 16). In fact, the defendant's use of the expression "Distributors and Manufacturers Agent for Yale" on his business stationery, not in his advertising, played little or no part in the injunction against his employment of the name "Yale Lock Service."

Obviously no case of trademark infringement is exactly like any other, nor will all the same facts be found to be present. But as the court pointed out in *Volkswagenwerk G.m.b.H. v. Frank*, 198 F. Supp. 916, 919 (D. Col. 1961):

"To be sure, the present case differs somewhat from the cases cited, but these decisions do not establish invariable patterns which govern each situation which arises. The issue in each case is whether the defendant has, regardless of the means used, appropriated the plaintiff's good will."

VII.

**What Church Is Seeking Is Not the Right To Compete
Fairly but To Draw to Himself the Patronage
Built Up for "Volkswagen Service."**

Defendant seeks to continue his exploitation and appropriation of plaintiff's good will by claiming that he is doing no more than engaging in "fair" competition (Ch. Br. 6-8, 74). He accuses plaintiff of "attempting to prevent the independent facilities from using the name given by

plaintiff to its products" (Ch. Br. 3, 27). There is no truth whatsoever in this accusation. He himself put in evidence the detailed statement plaintiff sent him early in his career, advising him how the name given by plaintiff to its products, *i.e.*, "Volkswagen," might be used by any person or firm engaged in the service or repair of Volkswagen automobiles, for the purpose of advising the public in a proper manner of his activities (D. Ex. C). Plaintiff has never objected to phrases like "Service for Volkswagen Automobiles" or "Repair of Volkswagen Cars" (*ibid.*).

But defendant does not want simply to advertise that he services Volkswagen vehicles, he wants to be able to represent to the public that he sells "Volkswagen Service" or "VW Service" (Ch. Br. 4-5, 65). He states flatly in his brief that "'Volkswagen Service' is descriptive and not proprietary" (Ch. Br. 63). Repeatedly he makes clear that he considers the addition of the word "independent" to his advertising to be wholly gratuitous on his part, going beyond any requirement imposed by the law (Ch. Br. 5, 66). His brief belies his claim that he asks only that he "be allowed to continue advertising to the public that he is 'An Independent Volkswagen and Porsche Service Center'" (Ch. Br. 4).

Indubitably, defendant is entitled to engage in the repair and service of Volkswagen vehicles and to inform the world that he is doing so. If the quality of his service is good, he will build up the patronage to which he is entitled. In addition, he will attract whatever segment of the public prefers the individual craftsman to the large organization. But he is not entitled under the banner of "fair competition" to divert to his premises persons seeking "Volkswagen Service."

His use of "Volkswagen Service" is just as wrongful and subject to the same condemnation as "Ford Auto

Agency” [*Ford Motor Co. v. Benjamin E. Boone, Inc.*, *supra*, 244 Fed. 335 (9th Cir. 1917)], “Dodge Service” [*Dodge Bros. v. East*, *supra*, 8 F.2d 872 (E.D.N.Y. 1925)], “Yale Lock Service” [*Yale & Towne Mfg. Co. v. Haber*, *supra*, 7 F. Supp. 791 (E.D.N.Y. 1934)] and “Hoover Vacuum Cleaner Repairing” [*Hoover Co. v. Groger*, 12 Cal. App.2d 417, 55 P.2d 529 (1936)].

Reaffirmation of these basic principles is peculiarly important because of the growing importance of service to the consumer. The quality and cost of post-sale repair and service are as vital as those of the product itself and the public is entitled to the same protection against deception in their sale.

In no way does plaintiff seek to interfere with defendant’s ability to compete fairly for the patronage of Volkswagen owners. All it asks is that the Court stop his misleading use of the marks by which the public identifies plaintiff and its licensees.

If Church’s practices go unchecked, there are hundreds of repair shops, both large and small, which, encouraged by such judicial condonation, will duplicate his misleading signs and advertising. Protection of the public and plaintiff alike demands clarification of the law and reversal of the judgment below.

December, 1967.

Respectfully submitted,

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I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

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